

## Message Text

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ACTION L-03

INFO OCT-01 EUR-12 EA-10 IO-13 ISO-00 SSO-00 NSCE-00  
ICAE-00 INRE-00 AGR-01 FRB-03 OMB-01 ITC-01 SP-02  
AID-05 CIAE-00 COME-00 EB-08 INR-10 LAB-04  
NSAE-00 OIC-02 SIL-01 OPIC-03 STR-07 TRSE-00  
CEA-01 SS-15 JUSE-00 AF-10 ARA-10 NEA-10 HEW-04  
/137 W

-----041660 020606Z /15

O 020525Z AUG 78  
FM AMEMBASSY WELLINGTON  
TO SECSTATE WASHDC IMMEDIATE 6014  
USMISSION GENEVA IMMEDIATE  
INFO AMEMBASSY BONN  
AMEMBASSY BRUSSELS  
AMEMBASSY LONDON  
AMEMBASSY PARIS  
AMEMBASSY ROME  
AMEMBASSY STOCKHOLM  
AMEMBASSY THE HAGUE  
AMEMBASSY COPENHAGEN  
USMISSION USUN NEW YORK

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E.O.11652:N/A  
TAGS: EGEN, EINV, ECOSOC, UN  
SUBJECT: 1978 SUMMER ECOSOC - AGENDA ITEM 18: ILLICIT  
PAYMENTS INITIATIVE

REF: (A) STATE 188861, (B) GENEVA 11453, (C) GENEVA 11565,  
(D) WELLINGTON 4012

1. AS REQUESTED REFS A. AND B. ECONOFF MADE REPRESENT-  
ATIONS TO DEPUTY SECRETARY OF FOREIGN AFFAIRS,  
JOHN SCOTT. HEAD OF ECONOMIC DIVISION SECTION DEALING  
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WITH THIS MATTER, PAUL SHANAHAN, ALSO ATTENDED.  
DRAWING ON REFTELS AND PREVIOUS BACKGROUND INFORMATION ON  
THIS SUBJECT, ECONOFF EMPHASIZED THE IMPORTANCE THE  
UNITED STATES GOVERNMENT ATTACHED TO THIS QUESTION,  
POINTING OUT HOW IMPORTANT IT WAS TO MAINTAIN MOMENTUM  
NOW THAT A REASONABLE CONSENSUS AMONG A LARGE NUMBER OF  
THE PARTIES HAD BEEN ACHIEVED. AN AIDE MEMOIRE

CONTAINING THIS BASIC ORAL ARGUMENTATION AND THE TEXT OF THE JOINT US-CANADIAN RESOLUTION OF JULY 27 LEFT WITH SCOTT.

2. IN REPLY SCOTT SAID THAT WHILE IT WAS CLEAR THAT THE US HAD PUT A CONSIDERABLE AMOUNT OF TIME, STUDY AND EFFORT INTO THIS QUESTION, THE SAME COULD NOT BE SAID FOR NEW ZEALAND. AS THE GNZ WAS NOT A MEMBER OF PREVIOUS WORKING PARTIES IT WAS ONLY RECENTLY THAT THEY HAD FOCUSED ON DETAILED ASPECTS OF THE PROPOSED AGREEMENT. FOR THIS REASON THEY FELT THEY NEEDED ADDITIONAL TIME TO CONSIDER THE MATTER, NOT ONLY WITHIN THE GNZ BUT WITH THE PRIVATE SECTOR HERE AS WELL. HENCE THE ORIGINAL U.S. PROPOSAL FOR A 1979 MEETING PRESENTED PROBLEMS. SCOTT THEN WENT ON TO SAY THAT HE UNDERSTOOD CERTAIN ELEMENTS WHICH WERE OF CONCERN TO NEW ZEALAND HAD RECENTLY RECEIVED FURTHER DEFINITION IN THE WORKING PARTY AND THAT THE LATEST U.S. PROPOSAL, WHICH HE HAD ONLY SEEN WHEN PRESENTED THE TEXT BY THE ECONOFF NOW CALLED FOR A CONFERENCE OF PLENIPOTENTIARIES IN 1980. BOTH OF THESE ELEMENTS, IN SCOTT'S WORDS, "POINTED IN THE RIGHT DIRECTION". ALTHOUGH HE WAS UNABLE WITHOUT INTERDEPARTMENTAL CONSULTATIONS TO GIVE A DEFINITIVE REPLY ON THE SPOT, SCOTT SAID HE THOROUGHLY UNDERSTOOD BOTH THE IMPORTANCE WE ATTACHED TO THE SUBJECT AND THE URGENCY OF THE TIMING. HE HOPED TO HAVE A FORMAL LIMITED OFFICIAL USE

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RESPONSE TO US BEFORE THE END OF THE WEEK.

3. WE FIRMLY BELIEVE THAT THE CAUTION PRESENTLY BEING DISPLAYED BY THE GNZIS, AS SCOTT SAID, THE RESULT OF INSUFFICIENT PREPARATION. ALTHOUGH WE HAVE RAISED THIS MATTER IN THE PAST WITH THOSE ELEMENTS OF THE MINISTRY RESPONSIBLE FOR OECD AND ECOSOC AFFAIRS, IT WAS CLEAR THAT UNTIL NOW THESE THINLY STAFFED AND HARD WORKED OFFICIALS JUST SIMPLY HAD NOT FELT THEY COULD GIVE THE ILLICIT PAYMENTS QUESTION THE PRIORITY THAT WE WERE URGING. THAT NOW HAS CHANGED AND THE RESPONSIBLE ELEMENTS WITHIN THE FOREIGN AFFAIRS MINISTRY ARE DEALING WITH THE MATTER ON AN URGENT BASIS. WE HAVE BEEN CONTINUALLY ASSURED IN OUR CONTACTS, AND THIS WAS CLEARLY CONFIRMED IN TODAY'S MEETING WITH SCOTT, THAT THE GNZ FIRMLY SUPPORTS THE CONCEPT OF AN ILLICIT PAYMENTS AGREEMENT IN PRINCIPLE. IT SIMPLY FEELS IT CANNOT RUSH INTO SUCH AN IMPORTANT AGREEMENT WITHOUT PROPER REFLECTION AND COORDINATION. IN SHORT, WE FEEL GNZ HESITATION AT THIS TIME REFLECTS GENUINE CONCERN HERE BASED ON REASONABLE CONSIDERATIONS RATHER THAN INTENSIVE COMMUNITY LOBBYING AS SUGGEST REF. B.

4. THE FORMAL GNZ RESPONSE WILL BE CONVEYED IMMEDIATELY  
UPON RECEIPT. SELDEN

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NNN

## Message Attributes

**Automatic Decaptioning:** X  
**Capture Date:** 01 jan 1994  
**Channel Indicators:** n/a  
**Current Classification:** UNCLASSIFIED  
**Concepts:** CORRUPTION, MEETING AGENDA  
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**Draft Date:** 02 aug 1978  
**Decaption Date:** 01 jan 1960  
**Decaption Note:**  
**Disposition Action:** RELEASED  
**Disposition Approved on Date:**  
**Disposition Case Number:** n/a  
**Disposition Comment:** 25 YEAR REVIEW  
**Disposition Date:** 20 Mar 2014  
**Disposition Event:**  
**Disposition History:** n/a  
**Disposition Reason:**  
**Disposition Remarks:**  
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**Document Source:** CORE  
**Document Unique ID:** 00  
**Drafter:** n/a  
**Enclosure:** n/a  
**Executive Order:** N/A  
**Errors:** N/A  
**Expiration:**  
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**Original Previous Classification:** n/a  
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**Reference:** 78 STATE 188861, 78 GENEVA 11453, 78 GENEVA 11565, 78 WELLINGTON 4012  
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**Review Event:**  
**Review Exemptions:** n/a  
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**TAGS:** EGEN, EINV, NZ, ECOSOC, UN  
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**Review Markings:**  
Sheryl P. Walter  
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